

**Steve Lozar Interview**  
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**Anneliese Warhank:** Today is April 8, 2017. I, Anneliese Warhank, am here with Steve Lozar at the Montana Historical Society in Helena. We are going to be discussing, predominantly Prohibition in the state of Montana. The aftermath of Prohibition, following the repeal and the residual effects of it on the brewing industry in the decades to follow. So, Steve, how 'bout we talk. Let's start with early ... with the years leading up to Prohibition. Prohibition had been something that the state and country had been moving towards for a long time before the state voted in favor of it in 1916. Leading up to the ban, had any laws been passed that looked to limit the production and sale of beer in the state or at the national level?

**Steve Lozar:** I think probably the first thing addressing that and holistically all we're gonna talk about with Prohibition, you mentioned the question residual effects, the ... those were extreme and so how do you get the place studying what caused Prohibition, what caused the residual aftermath. The idea of temperance and Prohibition has been around for hundreds of years, whether it's in America or any other country, for that matter. If you look, at least from the standpoint of malted beverages, you'll see that historically, that was always a concern when people were on a upswing of temperance and perhaps Prohibition. Prior to the turn of the nineteenth century, there was always a debate of what temperance means. Even more so than should a government be able to say no, you can't have for your own personal consumption, you can't have alcoholic beverages.

The idea of temperance was used to classify different kinds of alcohol. Many people made a very, very strong pitch towards -- this was pre-Prohibition -- towards calling beer and the temperate drink. That a history clear back to Europe, where the monks were brewing beers in their monasteries. Beer was considered a healthful drink. Often referred to as liquid bread. Yet, as we progressed in time, the idea of whiskey being something that was the idea of the demon, and eventually, the term "demon rum." Whether or not that was really true or not, it was a good way for brewers to be able to continue that good family view of beer and malted beverages.

As we got closer and closer to the turn-of-the-century, there have been other states that had enacted prohibition laws. They seldom lasted more than a handful of years. Very, very difficult to be able to legislate something like that, but many states did. Not necessarily ... they weren't necessarily always Puritan states, but they were states who just got caught up in the rhetoric of restricting alcohol because of the thought of alcohol is the root of all family troubles. It is what decays society and it's unhealthy. So, there's kinda the steps that came up to.

In Montana, we actually had a pretty broad view of alcohol consumption before Prohibition. We did have those times when it fell out of favor. We did have those times when certainly church groups and more conservative groups tried to limit alcohol consumption. It's interesting because alcohol consumption was, in those early days, in the middle 1800s, that was not so much the concern of manufacturing as consumption. It's one of the things people don't often talk about, is what was the real emphasis of those early ideas of public prohibition. Was it really consumption or was it manufacture? One doesn't have to

look very far at the historic record and you'll see it was always pitched as consumption. That brings us up to the turn-of-the-century, if you wanna give me the question over again.

**AW:** Sure! Prohibition was coming along for a while. The state passed our own prohibition law in 1916, so I was just wondering if leading up to the ban, had any laws been passed that looked to limit the production and sale of beer in the state? At the state level or the national level?

**SL:** Well, not at the national level. At the state level, at least not that it affected Montana directly, there were other states who did. There was a long history of rumblings in the national government of prohibition, but they never really amounted to a big massive country sweeping -- a real hard active prohibition or a pushing towards an act of prohibition. Early, in the state, the idea of a man's skin is his own, was very, very strong. It was often the slogan in the mines when someone was hurt and poor miners in the 1800s were trying to take care of their family and they had just lost limbs. A man's skin is his own was the slogan by the mine owners. It had a lot to do with that individual idea of a man makes his own decision. It was also hastened, by the fact that we had, after the Civil War, we had so many southern veterans that came to Montana. They didn't want, they wanted to come to a place 1) where they could make a living 2) where they could have some anonymity and 3) where they could make what they felt were a man's own decision. This was a place ripe for it.

So, Prohibition was slow to come here or the idea ... the sweeping idea of prohibition. It was slow to come to Montana. However, the idea of signing on when national prohibition began to sweep, took on the emphasis of a few groups that were politically very, very hard. The temperance unions, certain women's organizations, some church organizations, and some very ... this kinda sounds familiar, but some very conservative Montana politicians. Interesting to note, that with that kinda of change in ... it ... the idea of being able control more morality here in Montana ....

Lots of people don't know that many of our local politicians and state politicians and territorial politicians were also brewers. Was that by luck? No, certainly it was by design because those early, early Montana brewers, in the 1860s on, were looking at how can we protect our industry from fact and from fiction. They came up with lots of ideas and lots of slogans to be able to spin alcohol in a relatively open and publicly okay way to address things. So, they did. So, they did. We see that clearly in the idea of Montana public houses, where many of the Legislatures would go and meet. It smacks of that colonial, founding fathers. That same idea, when they got together in pubs in New England, we were doing the same thing here in Montana.

**AW:** Wow. So then, they pretty much fought against infringing on their own rights until the national ....

**SL:** Until national, yeah. There was a ... initially in Montana, there was a real push for brewers to begin to unite and how can we fight this. How can we fight this together? This sense that all alcohol is bad. Out of that came the original Montana Brewers Association. They were fighting on two levels. 1) to, in their minds, put beer as a different place than whiskey and wine. 2) again to also be able to head off what looked like a huge storm coming their way. A storm that could take away their livelihood. What, in all honesty, they felt was not an American kind of approach to this place where every man can earn his own living. That was very, very difficult. I have it in some of the old written records, is as brewers were writing back and forth to each other, often with the flag of confidential -- for your eyes only.

**AW:** Wow!

**SL:** What can we do? It looks like our section is starting to fall behind in the ... to the prohibitionists. What should we do? How do we address the public?

**AW:** Wow.

**SL:** The healthy drink was one of those answers. Some breweries before Prohibition in Montana, would take up ads in the local newspapers that say, “We support Prohibition to those highly intoxicating beverages, but we do that the saloon man can be someone who may attract the wrong kind people to come in and drink whiskey in their saloons. However, we support the practically non-intoxicating beverage of beer.” Much like we’ve seen it split the [Montana] Brewers Association, today, over legislation, we saw the same thing back before Prohibition with the distillers and the brewers.

**AW:** Huh. Interesting.

**SL:** Yeah.

**AW:** That ... that’s, I mean that’s one thing I have not spent as much time looking into it as you. But, I do know from some of the letters I’ve seen ... I came across these letters in the Kessler papers with that man who was writing to him ... I think it was Nicholas Kessler saying, “We need to do something about it.” Kessler’s response was almost like, “Thanks for your effort, but we’ve got this.”

**SL:** Yes.

**AW:** So, they really had kinda of ... they had a ... it seemed like they ... I mean, that’s just one example. But it didn’t seem like they were really wanting to include the public.

**SL:** Well, there is a certain amount of that. The hard fact that the ... when I read the letters from other brewers that are writing back and for to each other, when I read letters from the brewers to the Pinkertons, when you read letters to brewers as they were writing back and forth about unions, you’ll see that they were trying, in many ways, they were trying to do two things. They were trying to address unionism, as well as trying to address the whole Prohibition movement. They were very, very careful how they would phrase things.

**AW:** Oh.

**SL:** One needs to look at a lot of those samples in those old letters. You’ll see that the underlying purpose of the banding together was not only the unions, but it was also to collectively fight prohibition. They could see as they got closer and closer, from 1910, 1909, right in there, you’ll see that the brewers could see the writing on the wall. They said, “Come, let’s reason together and let’s make this pitch as to our product is different from those other products. We’re here as part of your community to make you a happier and well-rounded citizenry. We support your baseball teams. We support our churches. Here’s a letter from Father so and so, thanking us for the bock beer that he sends every year.” That really does give you a pretty good snippet into what was really going on.

**AW:** Okay. There’s a lot going on. Good to know. A lot going than just being like, “Oh, thanks for your support, but ....”

**SL:** I think in those early years, there .... Well I know there was, there was not the collective angst. Some brewers were really worried about what if they do this to us. Others, hey, you know, we’re gonna get by. The sun’ll rise tomorrow, and we’ll be brewing beer. It got to that point around 1910, that this is real serious stuff. They responded accordingly.

**AW:** All right. Great. In 1926, Montana chose to repeal Prohibition prior to the nationwide repeal, leaving the enforcement of the law up to the federal government. You had mentioned in our first oral

history, that brewers had been secretly brewing in the years prior to the repeal of Prohibition. Do you know if production increased after the State repealed it?

**SL:** That's one of the questions that I think is really interesting. First of all, we don't have real good records as to what production was because production's tied to taxes. Okay. That's just really fundamental. Once Prohibition came, obviously the breweries weren't paying taxes. Many of them shut down. But many of them continued to brew beer in a clandestine way.

Case in point, I have countless accounts that I've researched of Montana brewers doing two things. One is going underground with their brewing operations. The citizenry of Montana being someone who absolutely embraced or some people who absolutely embraced brewing in their homes, okay. But, some of the bigger breweries in Montana just said, we're not gonna live by that law. The two main, huge breweries in Great Falls, the Montana Brewing ... Brewery and the American Brewing and Malting Company, essentially thumbed their nose at the federal government with the Prohibition laws and continued to brew beer. Also, continued to be arrested, to be fined, to be confiscated, to be treated as criminals. These were, prior to Prohibition, these were the upstanding, leading men in their towns.

**AW:** Wow!

**SL:** Not only were they arrested and paid huge fines, but their product was constantly being monitored because they claimed to be making "near" beer, which is less than half a percent of alcohol. They were always getting busted. This happened for years. They would end up with, you know, prominent citizen in town would end up with a relatively large fine. A couple thousand dollars. Also, incarcerated for ninety days. Some of the Prohibition stories are just something out of *Bonnie and Clyde*. Can you still hear me okay?

**AW:** I think so. Yes. It's just being very ... light's not lighting up, but when I tested it earlier, it was showing. So ....

**SL:** Need to play it back and see if ....

**AW:** Maybe. Okay, if you want to continue.

**SL:** We were talking about the families that were ... extended brewing families in Montana. They kept brewing beer. The Montana and the American Brewing and Malting were certainly the highlights. But it was a smaller brewery in Great Falls, called Volk Brewing Company. They were something out of movie because Chick Volk, the younger Volk, became a car racer and a boat racer. This in the twenties. He owned a taxi cab company and delivered individuals in his taxi cab as well as hauled vast amounts of illegal beer. He got busted several times. One of the things that the federal government would do would be to go in and put the heat on the tavern owners. They would just randomly take their near beer, called a cereal beverage. They would do an analysis on it and say we're gonna shut you down, unless you tell us where did you get this illegal beer. Being shut down and completely out of business or saying well, I got it from the old American Brewery. Yeah, and they would also bottle beer and take it and cache it outside of the cities. They had their own little places to be able to respond to the beer. I think one of the things that kinda goes along with what we're talking about, is not only were the brewers during Prohibition trying to do whatever they could, some made cheese. They all virtually tried soda water. Some of 'em did soda all the way through the Prohibition.

The Bozeman Brewing Company, which was big, was owned by the Leurkind family. Julius Lehrkind, he and his sons, started into the soft drink business during Prohibition. Which that's the soda waters. To this day, one of Coke-Cola's largest distributors in Montana is Lehrkind Bottling Coke-Cola plant is huge in

Bozeman. Some of 'em made them transition and stayed with it and were successful, but most no. They did malt extract, which was non-alcoholic. They could sell it. Guess what? You could brew beer at home with it. They weren't selling alcohol, so they were okay there. Many of the Montana brewers tried to their best to politically get the laws to the position where they could brew medicinal beer.

**AW:** Ohh.

**SL:** That didn't work. Some of 'em, that went ahead and did medicinal beer ended up getting busted because it was the same 3.2 or 4.0 alcohol that they were doing in the first place. What I was saying is that, a lot of people don't realize that impact it had in Montana, it being Prohibition, on the agricultural base of this state. Malting barley was huge here in Montana. Many, many, many farmers and farming families depended ... their livelihood literally depended on malting barley. East of Great Falls, and of course the famous Gallatin malting barley, and those farmers all lost their jobs. There was a huge impact on obviously on the families that had taverns, but also on the railroads and the freighting industry because to have successful brewery, you had had to have ...you had to buy barrels. You had to buy glass and have your bottles shipped in. You know, thousands and thousands of bottles. That all went away too, just like that, with Prohibition.

So, it affected many, many of those circumstances. It eroded, greatly eroded, Montana's local and state tax base because every barrel of beer, Montana was making money. That went out in services to every citizen in the state that drove down a road or drank a glass of water. That was really far reaching. That's one of the things that ultimately led to repeal was not the very public drunkenness kind of thing. It was that erosion of the tax base. One could address it in a philosophical way that alcohol is wrong, but when the action came, it was because we're not gettin' the taxes. Interesting, isn't it?

**AW:** Yeah, everything's connected.

**SL:** It is.

**AW:** Okay, so when people could finally sell and consume beer again in 1933, beer actually had to be shipped in from out of state. It looked like the closest place we could get beer was Ogden, [Utah].

**SL:** That's right.

**AW:** Do you know why Montana breweries weren't capable of supplying this beer as quickly as other breweries?

**SL:** Yeah, actually I talked to a couple of old brewers from Missoula years ago and gave 'em that same question. I had some ideas as to why. They told me something I hadn't really thought of. I thought it was because of the time it takes to brew beer. Smaller breweries in Montana certainly were afraid to make large expenditures of cash to get their barley and get their breweries completely redone from how it sat idle for all those years. There was a huge amount of expense, and for the initial layout, to get up and be producing without any real guarantees that your gonna be able to legally sell this stuff. They were real small brewers that just kinda held off. The repeal was addressed in different ways, by different states. Becker, of course, was in Wyoming and in Utah. So, Becker was able to start brewing before Montanans could brew.

**AW:** Oh.

**SL:** As they saw repeal coming, they went into production.

**AW:** Huh!

**SL:** I think the first beer that came into Montana, came to Butte. It was virtually all Becker's Mountain Brewing Company. Evanston, Wyoming and Ogden, Utah were the two Becker plants. They sent it up on railcars.

**AW:** Were they producing that beer at that point illegally?

**SL:** No, no. They were not. But we would've been. That was a scary proposition, you know. Especially since it was coming. Keeping in mind too, that repeal at that point, was a state issue. Then, when it became national, some of those states had already enacted legislation to allow its manufacture.

**AW:** I see.

**SL:** We simply hadn't. Nobody's gonna make that investment, until they know. Especially on money they paid during the Prohibition and money they simply lost, but they geared up. They geared up very, very quickly. By the time Prohibition was repealed, we had Montanans immediately starting to brew. Immediately. However, it had to age. Often, stories of early beers were ... that they hadn't aged, and they were skunky beer. It doesn't take much of an imagination to imagine how dreadful that was.

**AW:** Yeah, but people probably didn't care all that much 'cause ....

**SL:** No, no, they didn't. Along those same lines, one thing that's very critical about why didn't Montanans ... Montana start brewing immediately or have beer ready for the day of repeal, was the fact that there was a huge change in laws in Montana. Prohibition laws in Montana that took away a huge base of Montana's brewery sales. Prior to Prohibition a brewery could own its own taverns. So, they did. They had their own saloons. That was the common practice, certainly in this state, but all over the country. In this state, you had the Centennial Brewery in Butte and then uptown, you had the Brewery Depot. In Anaconda you had another Brewery Depot. Those are just large bars and sold all of their beer and sold it exclusively, usually. With repeal in Montana, came laws that are still in effect today that says you cannot own a dispensary or a tavern or saloon exclusively to sell your beer. As a matter fact, you can't even be a shareholder in saloons.

**AW:** Wow.

**SL:** The manufacture was repealed. Being able to drink was repealed, with whatever the state regulations were. Breweries who always had a place to sell their beer, that was taken away from them. That's why a lot of breweries failed. That struggle through Prohibition and repeal came ... Lewistown's a good example. Kalispell struggled. They lasted twenty years, but they always had a place to sell their beer. Suddenly, that's gone. Who's pushing to fill every tavern in Montana -- Anheuser Busch. Pete Balentine. The breweries in Chicago. Obviously, Miller -- Balentine Miller, Blatz. All of those were pushing into the state and they were large enough to be able to sell to all kinds of different places. Where if you were manufacturer from Lewistown, that didn't have anywhere near the advertising or the public push that Anheuser Busch could do. So essentially, they got pushed out by the big guys through their advertising and obviously their lower prices and being able to things in mass.

**AW:** Wow!

**SL:** That was real significant in Montana. Real significant. Interesting, too, by the way. I just thought of this, is that we interviewed Helen Jernberg. Helen Bischoff Jernberg. Her mother was ... her father was an employee of the Kalispell Malting and Brewing Company from the turn-of-the-century up to '50. Eventually, after Prohibition, he bought the buildings and everything and brewed up until '52. Gustav Bischoff, was his name. Helen, his daughter, said, "Oh my gosh, you know! We were doing good when

we first started after Prohibition. We came up with a new beer. We called it Glacier.” Unfortunately, Missoula Brewing Company and Great Falls, those were the two biggies. Highlander in Great Falls Select. They would pay, under the table, they would pay the bartenders and the taverns to, when somebody came in and asked for tap beer, they would tap always Great Falls or .... So, the small breweries, like Kalispell, they got pushed out by their own state brothers.

**AW:** Wow!

**SL:** Because they were paying the bartenders, I mean, a penny or whatever, under the table for a draft beer. Those guys kept ... they kept records. I’m sure they were all destroyed. I’ve never seen them. Ultimately, that’s what Budweiser and those big companies did to Missoula and did to Great Falls. They pushed them out the same way.

**AW:** Wow! I guess it’s kinda karma in a way.

**SL:** Yeah, it is!

**AW:** Okay so, where are we exactly? Well, I guess you’ve kinda addressed this question a bit in your previous answer, but let’s see if there’s more that you can add to it. Following the repeal of the ban on the manufacturing and sale of beer in the U. S. in March of 1933, what were some of the most immediate and damaging changes to the laws dictating the operation of breweries in the state?

**SL:** Well, I just mentioned one. That was the primary one -- was not letting Montana brewers own their own outlets. It was incredibly significant. The other thing that had an immediate impact was that not all local laws changed the same time as the state repeal and as national repeal. There came that time in Montana when many states said it’s our right to govern Prohibition in our state. This is not a national issue. That’s why different states have different dates of repeal. 1916. Everybody, 1919. There was repeal going on. Prohibition was taking on different laws and different regulations all through those years leading up to national Prohibition. Even though here in Montana, and this is hypothetical, even though here in Montana, there was national repeal, there was state repeal, the Cascade County still had the right to say no alcohol in Cascade County. That was significant. Once again, it was not morals that dictated, it was local taxes.

**AW:** Huh. So, can you use ... can you think of any specific examples where the counties, or even cities, just really brought the hammer down and completely wiped out a local brewery?

**SL:** Not wiped them out. But I can give you some specifics of when it hurt the breweries dramatically. Case in point, is in Billings. In Billings, the laws were very, very restrictive as to where you could sell beer and where you could manufacture beer. The issue of what kinda beer could be sold in your county was very, very big. In many counties in Montana you could get 4.0. Most counties in Montana, and all counties in Montana after repeal, were 3.2. That became a debate that counties either bought into or just said we’re going with what everybody else does.

Miles City’s another [example]. We think of Miles City as such a wide-open place, but those local laws that were enacted in Miles City were very detrimental to the brewing industry. And Miles City had such a transient population of ranchers and homesteaders, but also the freewheelin’ cowboys who drank a lot. The laws were not very liberal in Miles City, over time, because more and more homesteaders were makin’ it and brought an extremely conservative view of alcohol. It didn’t dry the town up by any stretch of the imagination, but it had a serious effect on local laws and church laws, also. That’s another one that dictated how much alcohol or if any alcohol could be consumed in your county or in your city premises.

**AW:** Interesting. All right, in 1933 Montana beer law stated that people working in the industry had to have to have quote “good moral character and a clean record.” Do you know of any instances where this kept people who had been in the brewing industry prior to and during Prohibition from legally reopening?

**SL:** Not directly, but I know it did have an effect on whether or not the main owners of the Montana Brewing Company and the American Brewing and Malting Company, could they after all the trouble they had during Prohibition ... at this point, by the time Prohibition came, they were moral blights. Those upstanding citizens. How can we legally keep them out of the business? That can be done simply by licensing permits. What happened was, those two breweries ... it happened in Bozeman too .... Those two breweries in Great Falls and to an extent, the Bozeman Brewery which became after Prohibition, the Gallatin Brewing Company, some of the family members were allowed to stay on but the other ones, simply were not. They were essentially forced out of their ...of being able to participate in manufacturing. Interesting, huh?

**AW:** Yeah.

**SL:** Yeah.

**AW:** Do you know if anyone tried to get into the business that they had not a good moral character [that] kept them out or any case ....

**SL:** Yes, yes. Again, going back to those two breweries, in particular, they ... what they ended up doing is using peripheral family members to, in name, be the licensees and the board of directors of the brewing company. Again, it was the Leurkinds and it was the Johnsons and the Jenson families. In Great Falls, and it was the Volk family again. We'll just use another family member that can get a permit and so we're not directly on the books. Having interviewed so many of those old brewers and their extended family members, it was pretty common practice. If they took Aunt Lisa's license away or would drag their feet or simply not give her one, then her brother, you know, he's a fine, upstanding citizen. We'll do him, you know. These are what the families did.

**AW:** Wow! I just ... I think it's interesting they used the phrase “good moral character.”

**SL:** Yeah.

**AW:** Who determines ....

**SL:** Oh no, it was ambiguous as could be.

**AW:** Yeah.

**SL:** Yeah. What is ... first of all how do you legislate morality, is what we just talked about. Who exactly says it is moral or doesn't have a moral character. Totally ambiguous.

**AW:** Alright ... other than legislation, were there other challenges local breweries faced to get back into production of beer?

**SL:** Yeah, the cost of getting their equipment up and going again. A lot of breweries simply sold their equipment. They would have large sales to sell off things that were made out of copper. That was virtually everything in the brewery ... copper was .... They sold off all of their horses, their delivery wagons. They sold specific brewing pots, mash tuns, they sold those to Canadian brewers.



They essentially, many of Montana's breweries just gutted the brewery building and leased it for something else. Potato warehouses. Cold storage. They would turn breweries into cold storage 'cause they had the ability to do that and the machinery to make cold lockers. That's what they did.

Now all of the sudden, it looks like Prohibition is gonna go away. How do we get back up into brewing, physically brewing? Had to get all new equipment. But how do we set up the networks to sell our product again? That's a real challenge. One because of the laws that wouldn't let them have ... own the premises, but also how do you compete with large, national breweries and large regional breweries that can simply bring in product. Always a challenge to Montana brewers since the 1860s, has been materials. Lots and lots of hop shortages in Montana's brewing history. Bad malting crops. Cost of doing business when there is a failed crop or a crop that's twenty percent less than it was per bushel a year ago. Pretty risky to get into a business like that. That's what they were up again.

**AW:** Wow! Wouldn't they also have to wait for those people in the agricultural sector to start producing all that stuff again?

**SL:** Absolutely. They would either give them or they would sell them at ridiculously cheap prices per bushel of malting barley 'cause it needs to be a certain kind of malting barley. While barley was still being producing during Prohibition, it was being made into cereals. The best quality malting barleys were simply weren't there. There was no market for them. Now, all of the sudden, the breweries needed it and it takes a year to grow.

**AW:** Wow, so that's another thing that they had wait around for to ....

**SL:** No crops available.

**AW:** ... to be available. Wow. Did legislation in future sessions do anything to address any of these challenges or did they just make them worse?

**SL:** That's a loaded question. Yes and no. It was not popular in Montana legislation to fuss with the laws once Prohibition had been established. In the meantime, we were ... had just finished a world war. Then, another world war is coming. People were not looking very far into the future as to how we can support this industry. It was mostly how we can feed ourselves. How can we defend ourselves? That worldview at that time, it affected virtually every business, but it really affected brewing. But it did.

**AW:** Wow. How about following the end of the second world war, in the 50's and 60's, when those last remaining breweries were still in existence. Was there no legislation at all?

**SL:** Not much. Not much. It was always just local legislation. The State was still dictating the amount of alcohol. That's really key and under what circumstances you could sell it. Again, things were getting more and more difficult for local brewers in the 40's. Trying to get materials because everything was changed around because of shortages during the war. Brewers were brewing with all kinds substandard product. Right after the war, there were real, real ... well during the war and the after the war, there were real restrictions, federal and state, on to where you sold your product. Much like the tobacco industry was zeroing in on the military -- wheat, grain, all grain products were very, very specifically designed to put bread in the fighting men's canteens. Many breweries took out ads that simply said and here in Montana, simply said, "Our barley is gone to France. Here's some alternatives to ... mom to what you cook at home to help the war effort." Anything that had grain, was designed to feed the troops. Help the war effort. Having product was really a big, big challenge because that was dictated by the federal government and by the state government. How much could you get to make your beer?

**AW:** Was that something that those larger, regional breweries were able to just ... how did ... or were they all affected the same?

**SL:** They were all affected.

**AW:** Okay.

**SL:** They were all affected. Obviously, the buying power of the larger breweries -- they could buy more. There were lots of business ways to address that by making subsidiary companies, but if you're the brewery and ... if you're the ... I'll stay with Lewistown. If you're the brewery in Lewistown, the center of the state, their old corporate logo, usually breweries have hops and grains and stuff. The corporate logo of the Lewistown Brewing Company was a map of that area of central Montana with a spot in the middle and then all these little red lines, about six little red lines that went into the middle of the spot. Because those were all the railroads that went into Lewistown 'cause it was the main shipping place. That's what they used for their corporate logo. Well, all that area around there was grain and beef. It was all going to the war effort. You don't have the buying power as a smaller manufacturer in Lewistown. You just don't have that.

**AW:** Wow!

**SL:** Yeah, plus you can make subsidiary company and let them buy for you.

**AW:** You just a little mom and pop.

**SL:** Yeah. It was ... the shortage during the war years for all materials was ... there were no canned beers. Canned beer came out in '33. There was no canned beer during the war years. All that metal went to the war effort. Only a number of breweries across the country had contracts to brew canned beer and it was always in olive drab, OD cans, so they could be shipped to the military men fighting in the war zones. If you're in your trench, you know every fourth day, they would come by with a can of beer for every five-year enlistment or something like that.

**AW:** Wow! Wow!

**SL:** Yeah. Montana didn't have any of those contracts. But, I've got a couple of those old OD cans up in the brewery museum that friends have given me. Actually, they're really, really sought after and valuable because they went to Europe or to Japan, the South Seas. People drank 'em and threw them away.

**AW:** Oh.

**SL:** To actually find one for a collection is really rare.

**AW:** It sounds like it. Wow! So, I mean, there were a number of major blows to the brewing industry in the state. It's understandable that by the 50's, those very few that were left, had to overcome a lot of challenges. By then, most people had turned to drinking the domestics.

**SL:** Yep. You're spot on. You're absolutely spot on. Even during the war years, bottles was a real difficult thing for breweries to get. Yet, the country was going to more of a marketing of ... marketing for the individual. So, you could have your bottle of Pepsi Co or Coke-Cola. Beer was ... the market was going bigger and bigger and bigger to bottled beer. Then, all of the sudden, you couldn't get the bottles 'cause glass went to the war. There were cute little slogans and there were trucks that would go around and pick up glass, you know, in all the communities in Montana for the war effort.

The breweries would send their trucks out to pick up glass and bottles for ... and you gotta a half a cent for 'em or whatever. One of them, that was in the war years, there was and even before the war years, there was a popular song called "Bring Back My Bonnie to Me". Have you ever heard it? Well, the Volk Brewery adapted that song in their advertisements. They would sing "Bring back. Oh, bring back. Bring back my bottles to meeee." It was as cute as could be. They had these dancing bottles across their ads and stuff. It was the shortages and, again, the challenge of the brewery.

**AW:** Wow! Okay, modern day liquor laws with quota limits on how many liquor licenses can be sold in a community were set in 1947 to promote temperance. Can you explain how this impacted breweries throughout the decades?

**SL:** Sure, and we're going along the same vein. First of all, you have to decide what is temperance. Is it half percent beer? Is it no alcohol? Is it no four percent? Is it eight percent for medicinal purposes? You have to decide what is temperance. Once you've decided that, then you have to figure out who's eligible to partake in whatever it is to still qualify for their beverage or their act being a temperate act. That is always a debate. Certainly, these last number of years that's been the case.

**AW:** Yeah.

**SL:** The back part of that question, I've forgot, but it was significant.

**AW:** Explain how this impacted breweries through the decades.

**SL:** Ultimately, what it led to was less opportunity for the smaller brewers. When I say less opportunity, that's less opportunity to get materials. Less opportunity to have any kind of a political impact so you could make sure that you could continue to brew. Less opportunity financially to be able to compete with larger producers. It was kinda .... And it was absolutely against the small brewery, but it was kinda milking stool. You take just one of those -- not being able to get your material -- and the milking stool collapses. That's what happened. By the late-fifties, early-sixties, there were virtually no ... Montana had two going into the sixties and zero going out of the sixties. You know, that's ... it was devastating.

**AW:** Was it because they didn't have as many outlets?

**SL:** Didn't have as many outlets. Didn't have the ability to compete financially with moving their product and bringing in materials and being able to process the materials and sell it at such a discount as the other big guys. The other part of that was the big guys were tellin' you how great their beer was. Television had come along in the fifties. Visually, you were looking at the happy family and the smaller breweries just couldn't do that. We just looking at brewing advertising in newspapers, I mean, it just ... it was part of the trend. You know, back in the thirties, oh my God! It was just everywhere. In the forties, it was all towards ... zeroed in on women because their husbands were fighting for the American way and you need to be a good hostess. It changed there.

Before Prohibition, it was very important to be able to give the idea, in your advising in Montana breweries, that you were brewing a fine, Bohemian style beer. In Butte, you were brewing a fine, Bohemian style beer or you were brewing a good, Irish beer -- a stout or a porter. Before they put their money into advertising, you can physically look at, you know in the brewing museum, everything is chronologic and by brewery, so you can look at brewery x here, you'll see how there was huge in their labels, their artwork. All of this was all Bohemian and Bavarian. Then you see Hitler comin' into power in the thirties. You see less and less Bohemian and Bavarian. Pretty soon, it's gone.

**AW:** Wow!

**SL:** It's completely gone! That was purely so that they could ... people would be thinkin' they were buyin' a beer that was patriotic. That went all the way across the country, but it really happened in Montana.

**AW:** Oh sure. Especially following all the sedition issues that we had.

**SL:** Yes! Yes!

**AW:** Okay, final question.

**SL:** Sure.

**AW:** It's one, it's kinda lot. It appears like events such as the attachment of gambling licenses to liquor licenses and the decision in 1978 to allow grocery stores in the state to sell beer and wine played a role in the [Montana] Tavern Association having a difficult time getting on board with the tap room legislation brought forth in the 1990s. Can you explain why this may have been the case?

**SL:** Well, let's ... right off the bat, let's look at the 1978 thing you talked about. Being able to sell beer in grocery stores. Beer was sold long before that in grocery stores.

**AW:** Oh!

**SL:** As a matter of fact, in the forties, the Volk Brewery in Great Falls, said the most sold beer in Montana, and then real little was part of their slogan, was stores. Advertising in Montana, pre-Prohibition and after Prohibition was designed to have your, and again, this was tryin' to give the idea that beer was relatively benign, was to have everybody go to their local store ... local grocery store and market and pick up a case for home consumption. That's been going on for way before Prohibition.

**AW:** Okay.

**SL:** Certainly afterwards. The other part ... now wine's a different story. Wine's a different story, but beer, you bought it in Montana grocery stores.

**AW:** Okay

**SL:** The other caveat was the fact that liquor was controlled by solely to be sold by the State and State-licensed liquor stores. You could buy beer as soon as Prohibition was lifted. You could go into a tavern. You could go into your corner market. You could also call the brewery and the brewery would deliver, before Prohibition and after Prohibition. Not long after Prohibition, that was taken away by state legislation. The other silly thing was that until the forties, until the late-forties, you could go up and go to a beer dealer and you could have curb service. They'd bring the beer out to your car. Isn't that interesting! Then, that got all wiped out, too. Which was sure a good idea, but in Wyoming at the same time, when I was in high school in the early-sixties, you could only buy beer, wine or alcohol in a state packaged liquor store, is what they were called. You couldn't buy it in any grocery stores. I don't know when that changed. Maybe that changed in the seventies, but I know in the sixties you had to go to a state liquor store.

**AW:** Okay.

**SL:** And there were little drive ups. They weren't, you know, big stores like we have. They were little, kinda of kiosk store. Where you pulled in, and they slid the window back, like gettin' coffee. You ordered a case of Sheridan and they checked your ID and out you went.

So, the rest of that. The Montana Tavern Association, I think they saw and probably rightly so, think they saw craft brewing when it first came along, as a novelty. Certainly, no threat to them. In many ways, it was a novelty to most of those early brewers. We've talked about this before, that it was generally either a homebrewer who had a very limited time as a commercial selling any of their beer, but most of those early craft breweries in Montana were the novelty of wealthy people. They did a generally made up of the nouveau hip and young and basically they were doing it for a pastime. They became kinda little cliques where a few people would go to them, but it was a lark. They made beer for their clique and it didn't have anything remotely resembling the corner bar or a place where everybody felt welcome. That lasted really, just a very ... not all of them, but there weren't a lot of 'em in those early days. As a novelty, it just kinda went away.

However, it did spark some entrepreneurial individuals who wanted to make a living at it. Those were the real true, dedicated beginning of craft brewing in Montana. Not the first dates of the, you know, some of the more wealthy brewers. It took on ... I'm really proud to say this, but it took on that neighborhood kinda production. It had a real ... it was a real bridge between blue collar and white collar, for really the first time since before the war years. That's a really wonderful thing is that a roofer, and an attorney could be standing side by side at a Montana tavern drinking a Kessler and talking about the specific gravity of their beer. That was a new and exciting thing that we've come to. I think with the small brewers that have shown up here and there, there's lots of 'em. I think there ... that community aspect is real strong, still.

I do see the inklings some of our bigger breweries, wanting to become regional breweries. That concerns me a little bit. It concerns me more as a consumer, who likes those individually crafted beers to fit the taste of everybody that lives in east Butte, you know, that ... and because I think we've lost something collectively if we start going towards making a common taste being what everybody goes for. I hope that never happens, but I can see little inklings of it. It concerns me a bit. Yeah, the last part of that question. What was it? It was three parts and we've answered two, I hope.

**AW:** Yes. Basically, [Montana] Tavern Association having a difficult time getting on board with the tap room legislation.

**SL:** Yeah, that was it. Montana Taverns Association is and we've all talked about, is an incredibly powerful lobby. Incredible. They've been very successful at the way they've protected their own part of the industry. They have some savvy, smart people. They've also got a lot of incredibly nasty bullies, but they have been able to influence legislation in Montana in a very strong-armed way. They have put the typical kind of political pressure on legislators to continue to support their wants and their needs. Of course, their want to is to sell as much alcohol as they can. Their need is to be able to continue to draw the same percentage or more as to serving the public with their alcohol. Consequently, wants and needs kinda crossover. Anybody that gets in the way of being able to sell another product is a threat to them. Right from the very start, they first saw it as the novelty. Then, when they could see a few more starting to pop up and the tap houses starting to be more and more popular, they didn't want that because every beer sold in the tap house is one less beer that they're selling. It was not a local ... just a local phenomenon in Montana. Anheuser-Busch has been buying local breweries up all over the country.

Many of the national brewers, and regional brewers, have started doing specialty beers. Just go into any store and you'll see it. Then, you have the Sam Adams, who are very much a national brewer, but they are patterned after those everchanging fifty-four beers they have in the bottle now. Something like that. They've seen that impact of those craft brewers and now they're following it. Anheuser-Busch is following it. It's starting to kinda muddy that water.

The legislation of the 10,000 barrels here in Montana, which just got changed, that was so divisive because it limited and made very difficult financial decisions for brewers who are bumping up against it as to how much do we have to, if we're gonna go higher, and it's gonna cost us a whole lot to begin with. Yet, it invited regional brewers, Ninkasi, for instance, Sierra Nevada ... it invited those guys to come in and just take over a big chunk of what I think should be at least a level playing ground for every Montana brewery. Montana's Brewers Association, guess what ... I mean the [Montana] Tavern Association, guess what? They're selling those out of state beers. They don't want ... I don't blame them. I don't blame 'em because that's their model of business, but it makes it very, very difficult. I look at them with distain, but I don't blame them for the way they're fighting to keep their own business going. I want to see craft brewing, you know, that my great-great-great grandkids say I'm from Montana, the land of craft brewing. Do you know what I mean?

**AW:** Yes. Yes. Why do you think I'm doing this project? [laughter]

**SL:** Yeah. Exactly. Exactly. I think that that's why it's a natural business decision. Plus, in your interviews, if you were to go out and select thirty tavern owners, that have active gaming machines. They want people in their establishment, gaming and drinking while they're gaming. That's how they earn their living. Anybody that would pose any kind of a threat to it, is a threat. I think that it's just a natural opposition. I don't know how it could be any of other way, if and when we do, and we had a few agreements. If, and when we do, I think that'll be good for everybody, hopefully. I want it absolutely best for the craft industry in Montana. When it comes to that issue with the gaming, that .... I was on the Tribal Council that took gaming -- open gaming -- out of ... off the reservation.

**AW:** That was huge.

**SL:** Yeah. Boy, we got beat up real bad for that. But the idea of gaming on the reservation, was the Indian Gaming Regulatory Act that was passed by Congress to bring some kinda revenue back to reservations who virtually have ... many of them have eighty percent unemployment. That happens right here in Montana. They said, well how can we, how can we essentially, as a federal government, get away from keeping Indians as our ward. They're too expensive. We don't want to pay for Indian health. We don't want to pay for their different services that they have ... education. Even though we said that we'd do that in our treaties, how can we address so that we can essentially pull ourselves out of those reservations? Basically, get out of the Indian business. We do that by introducing or allowing gaming on reservations.

The hard part of that is to Indians reservations are built on the term sovereignty -- the ability or the limited ability to make your own decisions. When you ... at the big gaming states, California, Oklahoma, those places, they have given up their sovereignty to be able to game. Fifty-one percent of everything that is made in their casinos goes to whatever state they're in. They have the precedence of giving up sovereignty which can be challenged to sovereignty of trust lands on the reservation. Roads, health care, there are a number of things that one act to bring gaming in, is supposed to federally, is supposed to make reservations so economically self-supporting that we can get out of the business. We don't have to fuss with those Indians we made treaties with.

It's kinda that same idea when it comes to gaming on reservations, it's there for the benefit of the natives, so they can have an income. Yet, on our reservation, I don't remember the exact number, but there were hundreds of non-Indian gamers on the Flathead Reservation and we had seven Indian gamers that had business that had had machines in 'em. We said but this ... all that tax money that's being derived from ... all that profit money that's being derived from gaming on the reservation, is going to the State and the State's not willing to share even a penny of it with us. Why are we letting that happen when we make so little in our gaming? If the State would share a portion of that with us, we'd say sure, have gaming in our

homeland, but not at the expense of our own gamers, our own tribal members. We had a lot of members of the Montana Taverns Association extremely upset when we said unless we share in the profit, it's our right by treaty to say, no gaming. The extension of that and the reason I'm talking about it is 'cause it does speak to the power of the Montana Tavern Association. It also speaks to the ability for smaller entities to negotiate with larger entities and still keep their sovereignty. Does that make sense?

**AW:** Yeah, yeah. So, it's kinda crazy how the fact by just combining liquor and gambling licenses, you have this whole, new conglomerate come about.

**SL:** Absolutely a fact because the restrictive gaming license and liquor license in Montana is archaic. Especially the alcohol license. Archaic, but if you're the tavern owner that just paid a \$100,000 for your license, and you've waited for six or eight years to get it, to have it come up, you'll do everything you can to protect that \$100,000.

**AW:** Right.

**SL:** My dad, in 1962, is the last person to influence the issue of two more liquor licenses in Montana. That's a weird little twist, but dad was working in Indian realty and the tribes had a resort -- Blue Bay Resort up on the west shore or east shore of Flathead Lake. Dad negotiated with the State so that they could have a liquor license there. Two of 'em were issued. That was the last for years and years and years. They sold 'em off. The tribes sold 'em off eventually.

**AW:** Yeah, it's unfortunate how the State really doesn't make anything off the sale of those licenses. It's all in someone's private bank account.

**SL:** Absolutely a fact. Yeah.

**AW:** Which means that they have that much more interest in the [Montana] Tavern Association does. Well, I think on that note, I don't have any more questions. Is there anything that you would like to add, that we didn't cover.

**SL:** Well, only from that having been a student of brewing in Montana for many, many, many years I just .... Prohibition still, after all these years, studying it academically and seeing how it affects communities and individuals, Prohibition, no matter how you cut it, was a bad deal. It brought in so many negatives into the general society. Right here in Montana as well. That it often made an honest man, dishonest. That is not the ... should not be the goal of any kind of organized society. Prohibition bad, bad, bad. Brewing industry, I'm absolutely supporter and when we see bad in the industry, that's the time to address it. Root it out.

**AW:** Do you see any bad currently?

**SL:** I only see the disruption of when our [Montana] Brewing Association fights internally over what's the best legislation for themselves instead of for everybody in the association. That's the only thing that concerns me. Other than that, bad, no. Good as a good stout.

**AW:** [laughter] Perfect! All right. Thank you so much Steve!

**SL:** Thank you. I'm honored. I love to this kind of stuff.

[recording ends]